

1 Joseph M. Alioto
2 ALIOTO LAW FIRM
3 One Embarcadero Center
Suite 4000
San Francisco, CA 94111-3607
Telephone (415) 434-8900

8 John H. Boone
9 LAW OFFICE OF JOHN H. BOONE
10 One Embarcadero Center
 Fortieth Floor
 San Francisco, CA 94111
 Telephone : (415) 434-1133

12 Thomas P. Bleau
BLEAU, FOX & ASSOCIATES, A.P.C.
3575 Cahuenga Blvd., West, Suite 580
13 Los Angeles, CA 90068
Telephone : (323) 874-8613

15 || Attorneys for Plaintiffs

FOUAD N. DAGHER; BISHARAT
ENTERPRISES, INC.; ALFRED
BUCZKOWSKI; ESEQUIEL DELGADO;
MAHWASH FARZANEH; NASSER EL-
RADI; G.G. & R. PETROLEUM, INC.; H.J.F.
INC.; KALECO, CO.; MIKE M. MADANI;
CARLOS MARQUEZ; SAMI MERHI;
EDGARDO R. PARUNGAO; PAUL E.
PETERSON; RON ABEL SERV. CENTER,
INC.; JERRY'S SHELL SERV. CENTER,
INC; GUILERMO RAMIREZ; LEOPOLOO
RAMIREZ; NAZAR SHEIBANI; SITARA
MANAGEMENT CORPORATION; TINSEL
ENTERPRISES, INC.; QUANG TRUONG,
and STEVEN RAY VEZERIAN, LOS FELIZ
SHELL, INC., NASSIM HANNA.

CASE NO: 00114 GR

**COMPLAINT FOR DAMAGES AND
INJUNCTIVE RELIEF UNDER THE
ANTITRUST LAWS**

JURY TRIAL DEMANDED

28 | Plaintiffs

-1-

1
2 v.

3 SAUDI REFINING, INC.; TEXACO, INC.;
4 SHELL OIL COMPANY; MOTIVA
ENTERPRISES LLC; EQUILON
ENTERPRISES LLC; EQUIVA TRADING
5 COMPANY; and EQUIVA SERVICES LLC,

6 Defendants.
7
8
9
10
11

12 I

13 INTRODUCTION

14 1. Plaintiffs bring this action against defendants, Saudi Refining, Inc., Texaco, Inc., Shell
15 Oil Company, Equilon Enterprises LLC, Motiva Enterprises LLC, Equiva Trading Company and
16 Equiva Services LLC, for damages and injunctive relief caused by reason of defendants' violations
17 of Section 1 of the Sherman Antitrust Act, 15 U.S.C. §1. Plaintiffs demand a trial by jury of all
18 issues triable thereby, and for their complaint, allege as follows:

19 II

20 JURISDICTION

21 2. This Court has jurisdiction over plaintiffs' Sherman Act claims pursuant to Sections 4
22 and 16 of the Clayton Antitrust Act, 15 U.S.C. §§15 and 26, and 28 U.S.C. §1337.

23 III

24 PLAINTIFFS

25 3. The plaintiffs are the following individuals and entities, who operate or have operated
26 the following Shell or Texaco branded marketing premises and franchises at the following
27 locations:

28

	<u>Plaintiff's Name</u>	<u>Station</u>	<u>Leased</u>	<u>Station Location</u>
		<u>Brand</u>	<u>Marketing</u>	
			<u>Premises</u>	
			<u>Yes/No</u>	
5	Fouad N. Dagher	Shell	Yes	Dagher Shell #2
6				916 Santa Anita
7				Arcadia, CA 01006
8				
9	Bisharat	Shell	Yes	Arcadia Shell Service
10	Enterprises, Inc.			25 East Foothill Boulevard
11				Arcadia, CA 91006
12				
13	Alfred Buczkowski	Shell	Yes	Oakview Shell
14				905 North Ventura Avenue
15				Oakview, CA 93022
16				
17	Los Feliz Shell,	Shell	Yes	Los Feliz Shell, Inc.
18	Inc.			3053 Los Feliz Boulevard
19				Los Angeles, CA 90039
20				
21	Nassim Hanna	Shell	Yes	Hanna Shell
22				1410 South Soto Street
23				Los Angeles, CA 90023
24				
25				
26				
27				
28				

1 Esequiel Delgado Shell Yes Delgado Shell Service
2
3 4357 East Brooklyn Avenue
4 Los Angeles, CA 90022
5
6 Nasser El-Radi Shell Yes Delamo Shell
7 5910 Dell
8 Lakewood, CA 90713
9
10 Carlos Marquez Shell Yes Marquez Shell #12
11 2600 Pellissier Place
12 Industry, CA 91746
13
14 Fouad N. Dagher Shell Yes Dagher Shell #5
15 5533 East Washington Blvd.
16 Commerce, CA 90040
17
18 Tinsal Enterprises, Shell Yes N. Hill Shell
19 Inc. 16961 Devonshire Street
20 Granada Hills, CA 91344
21
22 Fouad N. Dagher Shell Yes Dagher Shell #10
23 1900 East Ceasar Chavez
24 Los Angeles, CA 90033
25
26
27
28

1 Mahwash Farzaneh Shell Yes Lawndale Shell
2
3 15808 South Inglewood
4 Lawndale, CA 90260
5
6 Fouad N. Dagher Shell Yes Dagher Shell #4
7 2219 Garfield
8 Monterey Park, CA 91754
9
10 Nasser El-Radi Shell Yes Shell 4U
11 430 Petrogrande
12 Monterey Park, CA 91754
13
14 Carlos Marquez Shell Yes Marquez Shell #7
15 3701 East Valley Boulevard
16 West Covina, CA 91744
17
18
19 Nasser El-Radi Shell Yes UR Shell
20 9305 East Firestone
21 Downey, CA 90241
22
23
24 G.G.&R Shell Yes Holiday Shell Service
25 Petroleum, Inc. 800-M East Lugenia Avenue
26 Redlands, CA 92374
27
28

1	H.J.F. Inc.	Shell	Yes	Simi Shell Food Mart 1120 East Los Angeles Avenue Simi Valley, CA 93065-2802
2				
3				
4				
5	Kaleco, Co.	Shell	Yes	Camarillo Shell 1604 Ventura Boulevard Camarillo, CA 93010
6				
7				
8				
9	Mike M. Madani	Texaco	No	South Bay Texaco 1700 Artesia Boulevard Redondo Beach, CA 90278
10				
11				
12	Quang Truong	Shell	Yes	Kathleen's Shell 4405 North Maine Avenue Baldwin Park, CA 91706
13				
14				
15				
16	Fouad N. Dagher	Shell	Yes	Dagher Shell #13 8801 Lanewood Downey, CA 90240
17				
18				
19				
20	Carlos Marquez	Shell	Yes	Marquez Shell #13 19910 Beach Boulevard La Mirada, CA 90638
21				
22				
23				
24				
25				
26				
27				
28				

1	Sami Merhi	Shell	Yes	Del Amo Shell 20225 South Avalon Carson, CA 90745
2				
3				
4				
5	Steven Ray	Shell	Yes	Steve's Shell Service Veczerian 800 West Las Tunas Avenue San Gabriel, CA 91776
6				
7				
8				
9	Guillermo	Shell	Yes	West Covina Shell Ramirez 801 South Glendora Avenue West Covina, CA 91790
10				
11				
12				
13				
14	Edgardo R.	Shell	Yes	Gardy's Shell Service Parungao 7511 East Rosecrans Avenue Paramount, CA 90723
15				
16				
17				
18	Fouad N. Dagher	Shell	Yes	Dagher Shell #9 631 North Garfield Monterey Park, CA 91754
19				
20				
21				
22	Sitara Management	Shell	Yes	Ventura/Shoup Shell Corporation 22330 Ventura Boulevard Woodland Hills, CA 91364
23				
24				
25				
26				
27				
28				

1	Paul E. Peterson	Shell	Yes	West Torrance Shell 20805 South Anza Avenue Torrance, CA 90503
2				
3				
4				
5	Ron Abel Serv. Center, Inc.	Shell	Yes	Ron Abel's #2 21924 Devonshire Street Chatsworth, CA 90311
6				
7				
8				
9	Jerry's Shell Serv. Center, Inc.	Shell	Yes	Jerry's Shell 5161 Van Nuys Boulevard Sherman Oaks, CA 91403
10				
11				
12	Guillermo Ramirez	Shell	Yes	Ramirez Shell Autocare 12004 East Ramona Boulevard El Monte, CA 91732
13				
14				
15				
16	Leopoloo Ramirez	Shell	Yes	Ramirez Shell 3660 North Puente Avenue Baldwin Park, CA 91706
17				
18				
19				
20	Nazar Sheibaini	Texaco	Yes	Camarillo Texaco 256 Carmen Drive Camarillo, CA 93010
21				
22				
23				
24	Sitara Management Corporation	Shell	Yes	Camarillo/Tujunga Shell 11339 Camarillo Street North Hollywood, CA 91602
25				
26				
27				
28				

1 Tinsal Enterprises, Shell Yes Victoria Shell
2 Inc. 2440 South Victoria
3 Ventura, CA 93003

5 Fouad N. Dagher Shell Yes Dagher Shell #7
6 1401 South Garfield
7 Alhambra, CA 91803

10 4. Each individual plaintiff is a resident of the state of California and the Central District
11 of California.

12 5. Each corporate plaintiff is organized, exists, and doing business under the laws of the
13 state of California, with its principal place of business located in the Central District of California.

14 6. Each plaintiff who currently operates Shell branded marketing premises, at all times
15 relevant herein, has been in a franchise relationship with Shell Oil Co. or its assignee Equilon
16 Enterprises LLC, and since approximately January 1998 has purchased wholesale Shell branded
17 gasoline from Equilon for resale to the general public.

18 7. Each plaintiff who currently operates Texaco branded marketing premises, at all times
19 relevant herein, has been in a franchise relationship with Texaco, Inc. or its assignee Equilon
20 Enterprises LLC, and since approximately January 1998 has purchased wholesale Texaco branded
21 gasoline from Equilon for resale to the general public.

IV

DEFENDANTS

Saudi Refining, Inc.

25 8. Defendant SAUDI REFINING, INC. ("Saudi") is a limited liability corporation with its
26 headquarters and principal place of business in Houston, Texas. It is a corporate affiliate of Saudi
27 Aramco, the state-owned oil company of the Kingdom of Saudi Arabia, the principal member of
28 OPEC, the international oil cartel.

1 9. Saudi is, and at all times relevant herein, has been directly or indirectly engaged in the
2 business of exploring for and producing crude oil, transporting crude oil, and refining,
3 transporting, storing, and marketing petroleum products, including gasoline, in the United States.

4 10. Saudi, as part of Saudi Aramco, is one of the world's leading oil and natural gas
5 producers, with substantial manufacturing, transportation and marketing functions.

6 11. The Chairman of Saudi met with the Chairmen of Shell and Texaco for the purpose of
7 forming and organizing a combination with Shell and Texaco in the refining and marketing of
8 gasoline.

9 12. The Chairman of Saudi knew and understood that the effect of the agreement with
10 Shell and Texaco would be the elimination of competition between and among Saudi, Texaco and
11 Shell in the refining and marketing of gasoline in the United States.

12 13. The Chairman of Saudi knew and understood that the agreement with Shell and
13 Texaco was an agreement among competitors to fix the price of gasoline sold to the independent
14 Texaco and Shell retail dealers.

15 14. The Chairman of Saudi knew and understood that the agreement with Shell and
16 Texaco was an agreement among competitors to divide markets in the United States.

17 15. The Chairman of Saudi knew and understood that the agreement with Shell and
18 Texaco was an agreement among competitors to divide customers in the United States.

19 16. Saudi in fact combined with Shell and Texaco to fix the price of gasoline sold to the
20 independent Shell and Texaco retail dealers in the United States.

21 17. Saudi in fact combined with Shell and Texaco to divide markets in the United States.

18. Saudi in fact combined with Shell and Texaco to divide customers in the United States.

Shell Oil Co.

19. Defendant SHELL OIL COMPANY ("Shell") is a corporation organized, existing, and
doing business under the laws of the state of Delaware, with its headquarters and principal place of
business at One Shell Plaza, Houston, Texas. Shell is a subsidiary of the Royal Dutch/Shell Group
which is composed of Royal Dutch Petroleum Company (domiciled in the Netherlands) and The

1 "Shell" Transport and Trading Company (domiciled in the United Kingdom).

2 20. Shell is, and at all times relevant herein, has been engaged in the business of exploring
3 for and producing crude oil, transporting crude oil, and refining, transporting, storing, and
4 marketing petroleum products, including gasoline, in the state of California and throughout the
5 United States.

6 21. Shell, as part of Royal Dutch/Shell Group, is one of the world's leading oil and natural
7 gas producers, with substantial manufacturing, transportation and marketing functions.

8 22. The Chairman of Shell met with the Chairmen of Saudi and Texaco for the purpose of
9 forming and organizing a combination with Saudi and Texaco in the refining and marketing of
10 gasoline.

11 23. The Chairman of Shell knew and understood that the effect of the agreement with
12 Saudi and Texaco would be the elimination of competition between and among Saudi, Texaco and
13 Shell in the refining and marketing of gasoline in the United States.

14 24. The Chairman of Shell knew and understood that the agreement with Saudi and
15 Texaco was an agreement among competitors to fix the price of gasoline sold to the independent
16 Texaco and Shell retail dealers.

17 25. The Chairman of Shell knew and understood that the agreement with Saudi and
18 Texaco was an agreement among competitors to divide markets in the United States.

19 26. The Chairman of Shell knew and understood that the agreement with Saudi and
20 Texaco was an agreement among competitors to divide customers in the United States.

21 27. Shell in fact combined with Saudi and Texaco to fix the price of gasoline sold to the
22 independent Shell and Texaco retail dealers in the United States.

23 28. Shell in fact combined with Saudi and Texaco to divide markets in the United States.

24 29. Shell in fact combined with Saudi and Texaco to divide customers in the United
25 States.

26 **Texaco, Inc.**

27 30. Defendant, TEXACO, INC. ("Texaco") is a corporation organized, existing, and
28 doing business under the laws of the state of Delaware, with its headquarters and principal place of

1 business at 2000 Westchester Avenue, White Plains, New York.

2 31. Texaco is, and at all times relevant herein, has been engaged in the business of
3 exploring for and producing crude oil, transporting crude oil, and refining, transporting, storing,
4 and marketing petroleum products, including gasoline, in the State of California and throughout
5 the United States.

6 32. Texaco is one of the world's leading oil and natural gas producers, with substantial
7 manufacturing, transportation and marketing functions.

8 33. The Chairman of Texaco met with the Chairmen of Saudi and Shell for the purpose of
9 forming and organizing a combination with Saudi and Texaco in the refining and marketing of
10 gasoline.

11 34. The Chairman of Texaco knew and understood that the effect of the agreement with
12 Saudi and Shell would be the elimination of competition between and among Saudi, Texaco and
13 Shell in the refining and marketing of gasoline in the United States.

14 35. The Chairman of Texaco knew and understood that the agreement with Saudi and
15 Shell was an agreement among competitors to fix the price of gasoline sold to the independent
16 Texaco and Shell retail dealers.

17 36. The Chairman of Texaco knew and understood that the agreement with Saudi and
18 Shell was an agreement among competitors to divide markets in the United States.

19 37. The Chairman of Texaco knew and understood that the agreement with Saudi and
20 Shell was an agreement among competitors to divide customers in the United States.

21 38. Texaco in fact combined with Saudi and Shell to fix the price of gasoline sold to the
22 independent Shell and Texaco retail dealers in the United States.

23 39. Texaco in fact combined with Saudi and Shell to divide markets in the United States.

24 40. Texaco in fact combined with Saudi and Shell to divide customers in the United
25 States.

26 **Equilon Enterprises LLC**

27 41. Defendant EQUILON ENTERPRISES LLC ("Equilon") is a limited liability
28 corporation with its headquarters and principal place of business in Houston, Texas.

1 42. Equilon is a combination between Texaco and Shell that combines their western and
2 mid-western refining, transportation, terminal (storage), and marketing operations and assets.
3 Shell owns 56 percent of Equilon, and Texaco owns the other 44 percent.

4 43. Equilon began operating during January 1998. Since that time, it has been in the
5 business of refining, transporting, storing, and marketing petroleum products, including gasoline,
6 in the state of California and other western and mid-western states.

7 44. Equilon refines and markets gasoline and other petroleum products under both the
8 Shell and Texaco brand names in all or parts of 32 states, selling products to 9,002 Shell and
9 Texaco retail outlets.

10 45. Equilon is the fourth largest retail gasoline marketer and the fourth largest refiner in
11 the United States.

46. Equilon's annual gross revenue is approximately \$22 billion.

13 47. Equilon is number one in market share in Oregon, Arizona, Nebraska, Oklahoma,
14 Missouri, Arkansas and Kentucky. Equilon is number two in market share in Alaska, Hawaii,
15 California, Nevada, Idaho, Wyoming, Colorado, New Mexico, Indiana and Illinois.

16 48. Equilon has seven refineries, refining approximately 846,000 barrels per day. Equilon
17 owns 76 terminals for crude oil and refined products in the United States.

18 49. Equilon owns an interest, with its competitors, in 45,600 miles of pipeline throughout
19 the United States.

20 50. Equilon is a combination, in the form of a trust or otherwise, used by Shell and Texaco
21 to fix the price of gasoline sold to the independent Shell and Texaco retail dealers in the western
22 and midwestern states of the United States.

Motiva Enterprises LLC

24 51. Defendant MOTIVA ENTERPRISES LLC ("Motiva") is a limited liability corporation
25 with its headquarters and principal place of business in Houston, Texas.

52. Motiva is a combination between Texaco, Saudi and Shell that combines their eastern United States and Gulf Coast refining, transportation, terminal (storage), and marketing operations and assets. Shell owns 35 percent of Motiva, and Texaco and Saudi each own 32.5 percent.

1 53. Motiva began operations during July 1998. Since that time, Motiva has been in the
2 business of refining, transporting, storing, and marketing petroleum products, including gasoline,
3 in the Gulf Coast and eastern United States.

4 54. Motiva refines and markets gasoline under the Shell and Texaco brand names in 27
5 states of the United States, selling products to 13,900 Shell and Texaco retail outlets.

55. Motiva is the second largest retail gasoline marketer and the eighth largest refiner in
the United States.

8 56. Motiva's annual gross revenue is approximately \$11 billion.

9 57. Motiva is number one in market share in Texas, Louisiana, Alabama, Mississippi,
10 Tennessee, Florida, North Carolina, Rhode Island, New Jersey, Maryland and Delaware.

11 58. Motiva is number two in market share in Georgia, Virginia, Pennsylvania, New
12 Hampshire, Vermont, Massachusetts and Connecticut.

13 59. Motiva has four refineries, refining approximately 819,000 barrels per day. Motiva has
14 50 terminals for crude oil and refined products in the United States.

15 60. Motiva is a combination, in the form of a trust or otherwise, used by Saudi, Texaco
16 and Shell to fix the price of gasoline sold to the independent Shell and Texaco retail dealers in the
17 eastern and Gulf coast states of the United States.

Equiva Trading Co.

19 61. Defendant EQUIVA TRADING COMPANY ("Equiva Trading") is a general
20 partnership headquartered in Houston, Texas, with offices in Universal City and Burbank,
21 California; and Calgary, Canada.

22 62. Equilon and Motiva are the general partners in Equiva Trading, each having a 50
23 percent interest. Equiva Trading became operational in July 1998 and provides supply and trading
24 services to Equilon, Motiva and affiliates of Texaco and Shell.

25 63. Equiva Trading was formed with the purpose and effect of eliminating competition in
26 the supply and trading services to the Equilon and Motiva combines, and to the affiliates of Saudi,
27 Texaco and Shell.

Equiva Services LLC

1 64. Defendant EQUIVA SERVICES LLC ("Equiva Services") is a limited liability
2 corporation with its headquarters and principal place of business in Houston, Texas.

3 65. Equiva Services is 50 percent owned by Equilon and 50 percent owned by Motiva. It
4 began operations in July 1998, and provides economic and business research, facilities
5 management, financial, human resources, information technology, legal, marketing, and safety,
6 health and environmental services for Equilon and Motiva.

7 66. Equiva Services was formed with the purpose and effect of eliminating competition in
8 services provided to the Equilon and Motiva combines, and to the affiliates of Saudi, Texaco and
9 Shell

v

CO-CONSPIRATORS

12 67. Plaintiffs are informed and believe that persons whose identities are at this time
13 unknown have engaged with defendants in the violations alleged herein. Plaintiffs may at a later
14 time amend this complaint to add said unknown co-conspirators as defendants when and if they
15 become known.

VI

THE SHELL/TEXACO/SAUDI COMBINATIONS

18 68. In or about October 1996, at a place and time unknown to plaintiffs, Saudi, Shell and
19 Texaco met and entered into an agreement to raise, fix, peg, and stabilize gasoline prices.

20 69. In or about October 1996, Saudi, Shell and Texaco formed their combinations,
21 combining their refining, transportation, terminal (storage), and marketing operations and assets in
22 the United States.

23 70. On or about March 1997, Shell and Texaco entered into a Memorandum of
24 Understanding regarding the formation of a combination to be known as "Westco," which later
25 was renamed "Equilon." Westco was to be organized as a limited liability corporation into which
26 Texaco and Shell would contribute their refining, transportation, terminal (storage), and marketing
27 operations and assets in the western and mid-western United States (roughly corresponding with
28 Petroleum Administration for Defense Districts ("PADDs") II, IV, and V).

1 71. On or about July 16, 1997, Shell, Texaco, and Saudi entered into a Memorandum of
2 Understanding regarding the formation of a combination to be called "Eastco," which later was
3 renamed "Motiva." Eastco was to be organized as a limited liability corporation into which Saudi,
4 Shell, and Texaco would contribute their refining, transportation, terminal (storage), and
5 marketing operations and assets in the Gulf Coast and eastern United States (roughly
6 corresponding to PADDs I and III).

7 72. At some point during or after January 1998, Texaco and Shell sold, transferred or
8 assigned to Equilon (formerly Westco) their interests in the marketing premises leased to plaintiffs,
9 as well as their interests in and obligations under each plaintiff's franchise agreements.

10 73. With regard to those plaintiffs that operate leased marketing premises, prior to and
11 after transferring those premises to Equilon, neither Shell nor Texaco made bona fide offers to sell,
12 transfer, or assign their interests in the premises to plaintiffs.

13 74. Equilon was formed for the purpose and with the effect of eliminating competition
14 between and among Saudi, Texaco and Shell in the refining and marketing of gasoline in the
15 United States.

16 75. One of the purposes of Shell and Texaco in forming Equilon was to fix prices between
17 themselves on gasoline sold to the independent Shell and Texaco branded dealers.

18 76. Shell and Texaco agreed that Equilon would fix the price at which gasoline is sold to
19 the independent Shell and Texaco branded dealers in the western and mid-western states of the
20 United States.

21 77. Equilon fixes the price at which gasoline is sold to the independent Shell and Texaco
22 branded dealers in the western and mid-western states of the United States.

23 78. Motiva was formed for the purpose and with the effect of eliminating competition
24 between and among Saudi, Texaco and Shell in the refining and marketing of gasoline in the
25 United States.

26 79. One of the purposes of Saudi, Shell and Texaco in forming Motiva was to fix prices
27 between and among themselves on gasoline sold to the independent Shell and Texaco branded
28 dealers.

1 80. Saudi, Shell and Texaco agreed that Motiva would fix the price at which gasoline is
2 sold to the independent Shell and Texaco branded dealers in the Gulf and east coast states of the
3 United States.

4 81. Motiva fixes the price at which gasoline is sold to the independent Shell and Texaco
5 branded dealers in the Gulf and east coast states of the United States.

viii

TRADE AND COMMERCE

8 82. The exploration, production, transportation, storage, refining, distribution, marketing,
9 and selling of crude oil and gasoline is carried on in and substantially affects interstate and foreign
10 commerce, and that the combination and conspiracy among and between Saudi, Texaco, and Shell,
11 to fix the price of gasoline sold to retail dealers substantially affects, impedes, and unreasonably
12 restrains the free flow of crude oil and gasoline between and among the various states of the
13 United States, and foreign countries and the United States.

14 83. Entry into the refining and marketing of gasoline is difficult and would not be timely,
15 likely, or sufficient to prevent anticompetitive effects in those markets.

16 84. By reason of the violations alleged herein, plaintiffs have paid and continue to pay
17 higher wholesale prices for branded gasoline than they would in a free and competitive market.

18 85. Since the launch of the Equilon combination, wholesale and retail prices of gasoline
19 sold in the state of California have increased substantially.

86. During that same period, total statewide refinery production and inventories of gasoline rose compared to the same period in the previous year, refinery margins increased, and crude oil prices decreased.

23 87. Beginning at least during the last two years, crude oil prices, when adjusted for
24 inflation, dropped to their lowest levels since the Great Depression of the 1930's.

88. During the time that crude oil prices were dropping to their lowest levels since the Great Depression, Saudi, Shell and Texaco, by and through Equilon and Motiva, agreed to and did in fact fix and raise the price of gasoline sold to the independent Shell and Texaco branded retail dealers.

1 89. Before Equilon and Motiva were formed, Saudi, Texaco and Shell were actual
2 competitors.

3 90. Saudi, Shell and Texaco combined and conspired to form Motiva and Equilon as the
4 means to fix prices on gasoline sold to the independent Shell and Texaco retail dealers.

5 91. Saudi, Shell and Texaco combined and conspired to form Motiva and Equilon as the
6 means to divide markets and customers.

7 92. Saudi, Shell and Texaco did what they combined and conspired to do.

8 93. Motiva and Equilon combined, conspired and contracted to fix the price of gasoline
9 sold to the independent Texaco and Shell dealers in the United States.

10 94. Motiva and Equilon combined, conspired and contracted to divide the markets in the
11 United States.

12 95. Motiva and Equilon combined, conspired and contracted to divide customers in the
13 United States.

14 96. Motiva and Equilon, as a combination, do the following:

15 (a) Market gasoline in all 50 states of the United States under both the Shell and
16 Texaco brand names;

17 (b) Rank number one in national market share for branded gasoline, refining
18 capacity and lubricant sales;

19 (c) Have annual gross revenue of approximately \$33 billion;

20 (d) Provide product to 22,903 Texaco and Shell branded retail outlets;

21 (e) Own 11 refineries with a total refining capacity of 1,665,270 barrels per day;

22 (f) Own or have an interest in 126 crude oil and product terminals;

23 (g) Have ownership interests with their competitors in 45,600 miles of pipeline

24 97. By reason of the combination and conspiracy among Saudi, Texaco and Shell to fix
25 prices by and through their combinations, Equilon and Motiva, independent Shell and Texaco
26 branded retailers paid more for their gasoline than they would have in a free and competitive
27 market.

28 98. After acquiring plaintiffs' marketing premises and franchise agreements from Shell and

1 Texaco, Equilon also imposed substantial rent increases upon each plaintiff operating leased
2 marketing premises.

3 99. Furthermore, each plaintiff operating leased marketing premises has been deprived of
4 an opportunity to acquire such premises. Franchisee ownership of marketing premises, as opposed
5 to leasing such premises from a franchisor, substantially increases the value of a gasoline station
6 business because it gives the owner-franchisee the freedom to negotiate arms length franchise
7 agreements or supply contracts with any oil company franchisor on much better terms for the
8 franchisee.

9 100. By reason of the violations alleged herein, plaintiffs have sustained injury to their
10 businesses and property in amounts yet to be ascertained, but including the loss of sales, profits,
11 and business goodwill, increased rent, increased prices paid to defendants for gasoline and other
12 petroleum products, the value of their businesses as going concerns, the increased costs of doing
13 business, including any debts incurred.

14 101. Prior to the Equilon and other combinations outlined above, Shell and Texaco were
15 actual competitors.

16 **VIII**

17 **SECTION 1 OF THE SHERMAN ACT**

18 102. Each of the Equilon and Motiva combinations described hereinabove constitutes a
19 contract, combination or conspiracy by Saudi, Shell and Texaco to raise, fix, peg, or stabilize
20 prices in *per se* violation of Section 1 of the Sherman Antitrust Act, 15 U.S.C. Sec. 1.

21 103. The Equilon and Motiva combinations constitute contracts, combinations or
22 conspiracies between and among defendants, Saudi, Texaco, Shell, Equilon, Motiva, Equiva
23 Trading and Equiva Services, to raise, fix, peg, or stabilize prices in *per se* violation of Section 1 of
24 the Sherman Antitrust Act, 15 U.S.C. Section 1.

25 104. Each Chairman of Saudi, Texaco and Shell knew of and approved of the price fixing
26 agreement.

27 105. The Equilon and Motiva combinations constitute contracts, combinations or
28 conspiracies between and among defendants, Saudi, Texaco, Shell, Equilon, Motiva, Equiva

1 Trading and Equiva Services, to divide markets in *per se* violation of Section 1 of the Sherman
2 Antitrust Act, 15 U.S.C. Section 1.

3 106. Each Chairman of Saudi, Texaco and Shell knew of and approved of the agreement
4 to divide markets.

5 107. The Equilon and Motiva combinations constitute contracts, combinations or
6 conspiracies between and among defendants, Saudi, Texaco, Shell, Equilon, Motiva, Equiva
7 Trading and Equiva Services, to divide customers in *per se* violation of Section 1 of the Sherman
8 Antitrust Act, 15 U.S.C. Section 1.

9 108. Each Chairman of Saudi, Texaco and Shell knew of and approved of the agreement
10 to divide customers.

11 109. The overall conduct of defendants described above also constitutes a contract,
12 combination or conspiracy to raise, fix, peg, or stabilize prices in *per se* violation of Section 1 of
13 the Sherman Antitrust Act, 15 U.S.C. Sec. 1.

14 **IX**

15 **PRAYER FOR RELIEF**

16 WHEREFORE, plaintiffs pray for relief as follows:

17 (a) that the jury find and this Court adjudge and decree that defendants have violated
18 Section 1 of the Sherman Antitrust Act, 15 U.S.C. Sec. 1;

19 (b) that plaintiffs recover actual damages as the jury shall find them to have sustained
20 and that the damages be trebled pursuant to Section 4 of the Clayton Act;

21 (c) that the Court issue a permanent injunction dissolving Equilon, Motiva, Equiva
22 Trading, and Equiva Services pursuant to Section 16 of the Clayton Act;

23 (d) that the Court issue a permanent injunction enjoining and prohibiting defendants
24 from contracting, combining, and conspiring to raise, fix, peg, or stabilize prices;

25 (e) that the Court issue a permanent injunction enjoining and prohibiting defendants
26 from contracting, combining, and conspiring to fix plaintiffs' rents at artificially high
27 and noncompetitive levels;

28 (f) that the Court issue a permanent injunction requiring defendants to allow any dealer

1 to rebrand, without any penalty;

2 (g) that the Court award plaintiffs their costs of suit herein, including reasonable

3 attorneys' fees pursuant to Section 4 of the Clayton Act; and

4 (h) that the Court award plaintiffs such other and further relief as it shall deem just and

5 appropriate.

6

7

8 Dated: June 14, 1999

9 ALIOTO LAW FIRM
10 SHULMAN, WALCOTT & SHULMAN, P.A.
11 LAW OFFICE OF JOHN H. BOONE
12 BLEAU, FOX & ASSOCIATES

13

14

15

16

17

DEMAND FOR JURY

18 NOTICE IS HEREBY GIVEN that the plaintiffs in the above-entitled action demand a trial
19 by jury in the above-entitled action.

20

21

Dated: June 14, 1999

22 ALIOTO LAW FIRM
23 SHULMAN, WALCOTT & SHULMAN, P.A.
24 LAW OFFICE OF JOHN H. BOONE
25 BLEAU, FOX & ASSOCIATES

26

27

28

By: Joseph M. Alioto
Joseph M. Alioto, Esq.